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SRI MOHAMED RAZA KHAN : The list is not comprehensive since it refers only to jeep, cart, bus and motor-cycle. What about lorry and train collisions? I want to know whether such things happened in the Ramanathapuram district during that time?

THE HON. SRI V. RAMAIAH : Merely to complete the list, I cannot add lorries and other things. These were the vehicles which were involved in the accidents during that particular period in the Ramanathapuram district.

SRI V. V. RAMASWAMI : 'f' என்னும் கேள்விக்குப் பதில்சொல்லும்போது "In order to make traffic improvement the Government have directed the District Transport Advisory Committee to prepare a three-year plan and to send it to the authorities concerned for their consideration." என்று சொல்லப் பட்டிருக்கிறது. அந்த உத்தரவு எப்பொழுது பிறப்பிக்கப் பட்டது? இப்பொழுது அம்மாதிரித் திட்டம் தயாரித்து அனுப்பப்பட்டிருக்கிறதா? அனுப்பப்படாவிட்டால் ஏன் அனுப்பப்படவில்லை? அனுப்பாவிட்டால் அனுப்புவதற்கு என்ன நடவடிக்கை இனிமேல் எடுக்கப்படும்?

THE HON. SRI V. RAMAIAH : I require notice.

UNSTARRED QUESTION.

1. *Q.*—SRI M. ETHIRAJALU : Will the Hon. the Minister for Industries be pleased to state—

(*a*) the value of handloom products produced in this State during the years 1956-57 and 1957-58;

(*b*) the value of goods sold out during these years; and

(*c*) the quantity of goods yet to be sold out?

A.—A statement[a] is placed on the table of the House.

MR. CHAIRMAN : Questions are over.

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—PRIVILEGE ISSUE RE ALLEGED LEAKAGE OF TAXATION PROPOSAL IN THE BUDGET.

MR. CHAIRMAN : The Leader of the Opposition, Dr. A. Lakshmanaswami Mudaliar, has given notice of a matter which he seeks to raise as a matter of privilege. 3-30 p.m.

The matter relates to the Budget Speech made by the Hon. the Minister for Finance on 10th March 1960 in which he has stated that the Government have decided to exempt vegetables, potatoes, fruits, betel, plantain leaf, flowers, eggs, meat and fish, oil from country chekkus and green leaf tea from

[a] Printed as Appendix V on page 209 infra.

the levy of sales tax and the publication of a report in two of the dailies of Madras, dated 14th and 15th February 1960, respectively of a statement attributed to the President of the Tamil Nad Congress Committee in which he is alleged to have said that the sales tax on perishables now in force would be removed next year and that the subject would come up for consideration during the Budget session of the State Assembly early next month. The Leader of the Opposition says that an important taxation proposal of the Budget has evidently leaked out and has been conveyed to the public long before the date when the Budget was to be presented and considered by the Legislature and contends that it is a breach of privilege of the House. He seeks permission to raise this as a matter of privilege.

I wish to know from the hon. the Leader of the Opposition how this involves a question of privilege.

DR. A. LAKSHMANASWAMI MUDALIAR: I thank you, Sir, for giving me this opportunity to explain the position that I have taken with regard to the motion that I am suggesting as a matter of privilege. Rule 155 of the Rules of Procedure of this House says—

"A member wishing to raise a matter of privilege shall, before the commencement of the sitting of the day on which he proposes to raise the point, leave with the Chairman, a written notice of the matter proposed to be raised".

The Budget was actually introduced on 10th March 1960. Then it was I realized that the Budget contained something which had been already given expression to according to Press reports by an important member of the political party to which the Treasury Benches belong. It was not possible to comply with the particular provision, viz., rule 155, since, as you may perhaps know, it was immediately afterwards, after the Budget speech was delivered, that the House adjourned and I should have given notice of the privilege motion before the commencement of the sitting of the House. So it was that I requested you to give me an opportunity to give notice of this afterwards, at the earliest date when this question could be raised, viz., at the next meeting of the Legislative Council, viz., to-day. You have been good enough to read the two quotations from the papers. According to parliamentary practice, I must give you, Mr. Chairman, the two dailies in which this has been published, viz., 'The Indian Express' and 'The Madras Mail'. Whenever a complaint is made about anything published in the newspapers, according to May's Parliamentary Practice, two copies should be given to you. I submit, Sir, the two dailies for your kind perusal.

(Dr. A. Lakshmanaswami Mudaliar handed over the dailies to the Secretary, Legislative Council, for being handed over to the Chairman.)

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You have, of course, the extracts. But I wanted to make sure that the original papers were there with you. These two papers, it need hardly be mentioned to the citizens of South India, are two most respectable papers published in English. 'The Madras Mail' has a reputation of having published for several decades news and always without any serious defect.

The points that arise are twofold. First of all, I maintain that an important Budget proposal, of the possibility of a Budget proposal had been mentioned at a public meeting, not by a Minister but by a person who was not connected with the Legislature and on an occasion when the general public had every right to believe that it was likely to happen. That was the impression of all members. It is no use now saying that the Budget was framed many days later because the Budget has naturally to take note of various factors, one of which is the factor that a statement like this has been made.

The next point for consideration is that the significant statement has been made by a person, who is holding a position, a very great position, a position of great responsibility, with the party in power which is now administering the State of Madras. If that statement had been made by anybody else, even by a Member who is sitting in this House, who is not among the serried ranks of Ministers, I would not have taken it so seriously. But it is a fact and it cannot be denied that the President of a Congress Committee, whether it be a State Committee or an All-India Committee, is a person, who, according to the traditions of the particular party in power, is given the highest amount of consideration and is also in a position from above to explain the policies of Government. Such a person comes forward and says as follows, as is reported in the Press :—

"He indicated that sales tax on vegetables under existence now *would* be removed next year".

It is not a question of "*may* be removed". It is a positive statement that it "*would* be removed". It is again reported in the Press as follows :—

"He said that it would come up for consideration during the Budget Session of the State Assembly".

I do not think there is any other meaning for this statement except that this gentleman, quite rightly perhaps according to party opinion, was in the know of things. I do not mind if he was in the know of things for, as matters are taking place here and elsewhere, these things are discussed in the party to which none of us can have access. I do not mind that. But when he comes out and makes a statement, it ought not to be easy to say that the Press reports are not correct. I should like, first of all, to know whether any steps were taken, when these reports were published, by the Ministry, particularly by the Finance Ministry,

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to verify from the Press what the exact report was, if the report as is now sought to be termed was not correct. But I am afraid I cannot easily accept that without further corroboration.

Secondly, when a motion like this has come up, Government are bound to place before the House any correspondence that has taken place between the Press, which has now been inveigled as a Press which reports falsely, and the Government.

THE HON. SRI R. VENKATARAMAN : I am afraid that Government have not stated anywhere that the Press has misreported or misquoted.

DR. A. LAKSHMANASWAMI MUDALIAR : If that is the case, may I take it that the Press has correctly reported the statement?

THE HON. SRI R. VENKATARAMAN : The hon. the Leader of the Opposition may proceed on the footing that the Press report is a correct report.

DR. A. LAKSHMANASWAMI MUDALIAR : Then, I think it stands to reason that this statement does involve two principles. First of all, it concerns a matter of privilege. A taxation proposal had been published long before the Budget was presented to the Legislature. Whether the Finance Ministry was in active possession of these facts or whether the party resolved to do such things or not, is not the question at issue. If this statement has given any room for persons directly or indirectly to benefit by the possibilities of these tax exemptions being introduced, then I say it is a matter of breach of privilege so far as the Budget proposals are concerned. If, for the reasons that have been mentioned, a person having a contract with vegetable market, a vegetable dealer, can benefit by delaying such a contract by anticipating the removal of tax on vegetables at an early date, then it is a matter of breach of privilege. I maintain that it is a breach of privilege of both Houses. On an occasion like this there can be no question whatsoever about the fact that people can benefit, who use intelligently this sort of warning or this sort of statement that has been made. The reason why I maintain that people can use the statement as an intelligible guess is twofold. First of all, the gentleman who has made the statement is, as I said previously, an important political leader, a political leader next to the State Chief Minister. Secondly, this statement has been made at a public meeting where the Chief Minister himself was present. It makes the thing all the more significant and clear to the public mind. Here we are concerned with public men when a taxation proposal or taking away of a previous taxation was published before the Budget was presented to the House.

The next point is this. If it is said that the statement is correct—the Hon. the Leader of the House is not prepared to say that it is not correct—even then I maintain that it is certainly a

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breach of privilege. When Members of the Legislature had not been presented with the Budget and deputations were being received from all sources on an important issue like this, if a statement is made by a person in the presence of a Minister, I consider it is treating this House with scant courtesy. On these grounds, I do maintain that it is a breach of privilege. But if any statement is to be made by the Hon. the Leader of the House in this regard, I beg to request you to permit me to make my observations thereon. 3-40 p.m.

* THE HON. SRI R. VENKATARAMAN : Mr. Chairman, at the outset, I wish to state that prior to or on the date of the alleged statement in respect of which this motion of privilege is sought to be made, the Cabinet had not taken any decision regarding the exemption of fresh vegetables from sales tax. There was neither a Budget decision nor a Budget secret on the date of the alleged statement. The question of leakage of any Budget proposal or decision does not, therefore, arise. I submit that the motion made by the hon. the Leader of the Opposition, therefore, lacks basis and foundation.

I wish to proceed further, Mr. Chairman, and point out that a motion of privilege does not lie on an occasion like this. This has been settled by precedents both in the Madras Legislative Assembly and in the Lok Sabha. In June 1952 when an article appeared in the 'Indian Express', dated 19th June 1952, containing certain information regarding new taxes likely to be levied in the Budget, a motion of privilege was brought by Sri Tenneti Viswanatham. The Chair then ruled that it was not a matter of privilege but that it was at best a case in which an offence under the Official Secrets Act might have been committed.

MR. CHAIRMAN : The instance cited occurred in 1952. It was raised in this House also.

* THE HON. SRI R. VENKATARAMAN : Yes, Sir. A similar motion was made before the Council, I was going to say, Mr. Chairman, and you had already given a ruling endorsing that view. (Interruption) I proceed step by step. My Friends have a habit of jumping to conclusions.

The next case arose in the Lok Sabha. There was publication of the Budget proposals in a pamphlet issued in Bombay on the 29th February 1956 and it came in for a lot of severe criticism in the Lok Sabha. There, again, the Speaker ruled that it did not involve a question of breach of privilege of the House. I would like to refer, in this connexion, to the ruling given by the Speaker of the Lok Sabha because he has dealt with the constitutional and legal aspects. I am now on the point that even if Mr. Alagesan had made that statement outside, it does not involve a

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breach of privilege of the House and it is for this purpose that I wish to refer to the ruling given by the Speaker of the Lok Sabha. This is the ruling—

'In the matter of determination of the privileges of the House, we are governed by the provisions of article 105 (3) of our Constitution, which state that the powers, privileges and immunities of the House are such as were enjoyed by the House of Commons in the United Kingdom at the commencement of our Constitution. The precedents of the United Kingdom should guide us in determining whether any breach of privilege was in fact committed in the present case. So far as I can gather, only two cases occurred in which the House of Commons took notice of the leakage of the budget proposals. They are known as the Thomas case and the Dalton case. In neither of these cases was the leakage treated as a breach of privilege of the House nor were the cases sent to the Committee of Privileges for enquiry. The prevailing view in the House of Commons is that until the financial proposals are placed before the House of Commons, they are an official secret. A reference of the present leakage to the Committee of Privileges does not, therefore, arise.'

I wish to clarify the legal and constitutional position that a motion of privilege does not lie on occasions like this. Then, Mr. Chairman, you will find that in the British House of Commons, two leading cases arose consequent on the leakage of Budget secrets and that in both those cases there was no privilege motion. But the distinguishing feature of those two cases is that the disclosure of the Budget secret was made by the Chancellor of the Exchequer himself.

Now, Mr. Chairman, in a country like ours where we have enshrined the freedom of expression in our Constitution, it would be very difficult to prohibit people from expressing their views with regard to what ought to be the taxes and what they expect the taxes would be unless they happen to be the persons in possession of that knowledge. I may specifically refer to the Dalton case and the Thomas case because they were in actual possession of that knowledge. The statement that I have made at the beginning clearly shows that on the date on which the alleged statement was made, there was absolutely no secret and no decision at all. Therefore, there was no question of anyone having the knowledge and the person in possession of that knowledge disclosing anything. The Speaker went on to say in respect of this and I think that the statement of the Speaker of the Lok Sabha is appropriate on this occasion—

'Our country also is not so barren of intellect as not to be capable of speculating intelligently in advance the proposals that are likely to be made.

The position is that it is open to any number of people who are not, I repeat, in possession of official information and secret to

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give expression to their views, to their opinions, to their suggestions and so on. In fact, they may even go and say, 'I can have this done; I will compel the Government to do this.' Still, it would not amount to a breach of privilege because the Constitution has given them the right and the freedom of expression. It is not uncommon to find several person, particularly in the commercial circles, speculating on the possible aspects of the new taxation in the budget proposals and some, even hinting at particular kinds of taxes that are likely to be imposed. If it is to be held that a breach of privilege arises if ultimately the guess or prediction turns out to be true, it will severely curtail the freedom of the individual to express, anticipate and sometimes take prudent precautions to protect his interests. To deprive a person of his right to guess or anticipate a budget proposal where it is in the nature of a fresh taxation or exemption from the existing tax on pain of being dealt with in the House as a privilege motion will severely curtail his freedom of speech and expression enshrined in our Constitution.

I wish to add, Mr. Chairman, that I fully endorse the statement made by the hon. the Leader of the Opposition with regard to the position and prestige of the President of the Tamil Nad Congress Committee. He certainly is held in very high esteem and is regarded as one of the leading members of the Party, and we are proud of it. The only difference is that the person who made this statement had neither the knowledge nor the occasion to know wha tthe proposals were. In this particular case, the proposals themselves were not made at the time when the statement of the President of the Tamil Nad Congress Committee was made. I, therefore, submit, notwithstanding the excellent edifice which the Leader of the Opposition is capable of building very elegantly, there is no case for referring this matter to the Committee of Privileges.

MR. CHAIRMAN: I have heard the hon. the Leader of the Opposition and the Hon. the Leader of the House. In the matter of determination of the privileges of the House, we are governed by Article 194 (3) of the Constitution which says that the powers, privileges and immunities of a House of the Legislature of a State and of the Members and the Committees of a House thereof shall be such as may, from time to time, be defined by the Legislature by law and until so defined, shall be those of the House of Commons of the Parliament of the United Kingdom and of its members and Committees, at the commencement of this constitution. Therefore, the precedents of the Mother of Parliaments are a guide in this matter. Only in two cases, known as "The Thomas case and the Dalton case", the House of Commons took notice of the leakage of Budget proposals. It is pertinent to point out here that, in both the cases, the leakage of Budget proposals was not treated as a breach of privilege of the House. They were not referred to the Committee of privileges. Both in the Indian Parliament and

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in our own Legislature, it has been ruled repeatedly that leakage of Budget proposals, even if there was any leakage, is not a breach of privilege of the House. It is needless to canvass this first principle. The prevalent view is that until the financial proposals are placed before the House, they are an official secret, but not a privilege of the House.

3-50 p.m. As to the principal involved, what is alleged is a divulgence or leakage of a Cabinet secret. The Cabinet is entitled in its discretion to treat its discussions and decisions as secret until it itself permits their disclosure. But the privilege of secrecy of a Cabinet decision is that of the Cabinet and its protection is its own concern. The secrecy of Cabinet decisions cannot and is not a privilege of the House though the House will be justified in the public interest in its maintenance ; nor is the first disclosure to the Legislature of the Government's taxation proposal included among the recognised privileges. The words 'Privileges of Parliament' are technical in their import and restricted in their content. They must not be confused with the Functions of Parliament. They have become defined and demarcated by the practice of centuries in England, where it is settled law that no new privilege can be created.

In the circumstances, I rule that no *prima facie* case of breach of privilege exists in the instant case.

II.—GOVERNMENT MOTIONS.

(1) CONSTITUTION OF THE RULES COMMITTEE OF THE COUNCIL.

* THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, I move—

'That a Committee consisting of the following Members be appointed to make suggestions for the amendment of the Madras Council Rules :—

The Hon. the Chairman.

Sri V. K. Palaniswamy Gounder, Deputy Chairman.

The Hon. Sri R. Venkataraman.

Dr. A. Lakshmanaswami Mudaliar.

Sri V. S. Balasundaram.

Sri M. Patanjali Sastri.

Srimathi Jothi Vencatachellum.

Sri K. Balasubramanya Ayyar.

Sri Mohamed Raza Khan.'

Sir, I am making this motion in pursuance of rule 186 to make suggestions for amending the Madras Council Rules. The Assembly has already adopted various new rules amending the existing rules of procedure. We may also want to bring our rules up-to-date taking into account the experience we have gained in our Council during the last few years.